

\$12 Million Placement successfully completed

Talon Energy Ltd (Talon or Company) advises that it has successfully completed the \$12 million Share Placement announced on 1 December 2022 (**Placement**), with the placement funds received by Talon.

Allotment of the shares under the Placement, other than those subscribed for by Talon's Managing Director, Colby Hauser (\$50,000), has also been finalised.

Under ASX Listing Rules, Mr Hauser, as director of the Company, requires shareholder approval to participate in the Placement. As such the Company will seek shareholder approval for the allotment of 357,143 (\$50,000) Placement shares for which Mr Colby Hauser has subscribed, at a shareholder meeting expected to take place in January 2023.

The Placement shares have been issued using the Company's existing placement capacity under Listing Rule 7.1 (41,357,144 Shares) and Listing Rule 7.1A (44,000,000 shares).

Canaccord Genuity (Australia) Limited and Chieftain Securities WA Pty Ltd acted as Joint Lead Managers to the Placement, with Bell Potter Securities Limited appointed a Co-Manager. Talon paid a fee of 6% of funds raised in the Placement.

The Placement funds raised by the Company will be used to fund Talon's obligations in relation to the farm-in into the Gurvantes XXXV project in Mongolia, with Talon having recently elected to take a 33% interest in the project, and enter into a Joint Venture with TMK Energy Ltd's wholly owned subsidiary, and Project owner, Telmen Resource, LLC. The Company's election to proceed with the acquisition of the 33% interest in Gurvantes XXXV has crystallised a farm-in commitment to fund the first ~US\$3.15m (~A\$ 4.6m¹) of Stage 2 expenditure at Gurvantes, and 33% of ongoing expenditure once this expenditure commitment has been satisfied. In addition the its Stage 2 expenditure commitment, on the recent certification of a Contingent Gas Resource at Gurvantes XXXV, and in accordance the Gurvantes XXXV Farm In Agreement, Talon is required to pay Telmen an additional US\$809,333 (\$A1.2m¹).

The Placement funds will also be used for general working capital expenditure and to fund Talon's 45% share of immediate development costs at Walyering Project as it moves towards commercial production in Q1 2023.

To supplement the funds received through the Placement, Talon is seeking additional funding to finance Walyering's development by way of a debt financing facility, with negotiations in respect to debt funding ongoing.

This Announcement is authorised for release by the board.

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¹ Calculated using a USD exchange rate of \$0.68